CORPORATION
annual
report
1968

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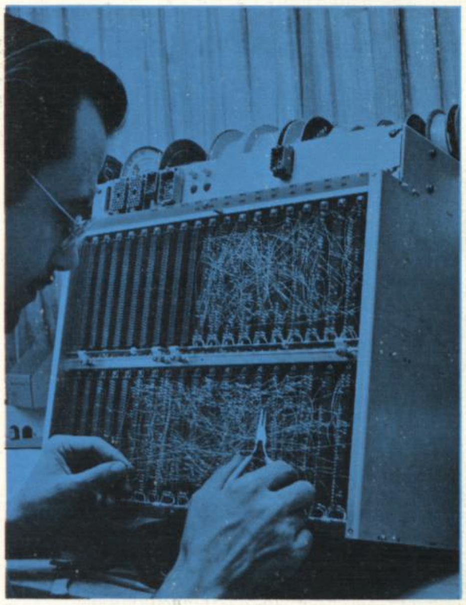

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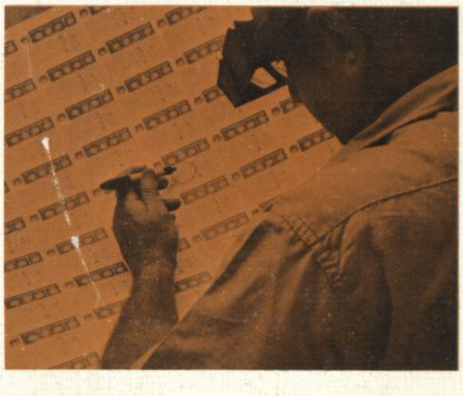

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ADDRESSOGRAPH MULTIGRAPH CORPORATION

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FINANCIAL HIGHLIGHTS

for the year ended July 31

	1968	1967
RESULTS OF OPERATIONS		
Net sales and operating revenues	$378,747,000	$359,967,000
Income before income taxes and extraordinary items	$ 47,432,000	$ 39,106,000
Income before extraordinary items	$ 24,787,000	$ 19,679,000
Per share	$3.09	$2.45
Net income	$ 23,992,000	$ 19,016,000
Per share	$2.99	$2.37
Net income as a percentage of sales	6.3%	5.3%
Cash dividends paid	$ 11,231,000	$ 11,218,000
Per share	$1.40	$1.40
FINANCIAL POSITION AND STOCKHOLDERS' EQUITY		
Working capital	$140,389,000	$ 98,852,000
Ratio of current assets to current liabilities	2.6 to 1	2 to 1
Total assets	$332,676,000	$281,887,000
Stockholders' equity	$179,841,000	$166,780,000
Per share	$22.41	$20.80
OTHER DATA		
Number of employees	24,300	24,300
Number of stockholders	16,300	19,300

BOARD OF DIRECTORS

*FRANK H. WOODS
Chairman, Board of Directors

*PHILIP M. AITKEN
Partner, Woods, Aitken and Aitken

*WILLIAM I. AITKEN
Partner, Woods, Aitken and Aitken

RAYMOND Q. ARMINGTON
President, The Triax Company

WALTER K. BAILEY
Director, The Warner & Swasey Company

*EDWIN C. BRUNING
Executive Vice President, Charles Bruning Division

HERBERT F. BRUNING
Formerly President, Charles Bruning Company

*JOHN S. FANGBONER
Chairman of the Board, The National City Bank of Cleveland

*J. BASIL WARD
Formerly Chairman, Executive Committee

*WILLIAM H. WILSON
President and Chief Executive Officer

*Member of Executive Committee

OFFICERS

WILLIAM H. WILSON
President and Chief Executive Officer

WOODROW S. ANDERSON
Administrative Vice President, Corporate

DONALD C. ADAMS
Administrative Vice President, Treasury

JACK M. LEWIS
Administrative Vice President, Marketing

ALBERT E. MIGNONE
Administrative Vice President, Research and Engineering

DONALD W. SEAGER
Administrative Vice President, Manufacturing

A. JAY SOMERS
Administrative Vice President, Control

EDMUND F. FRANZ
Vice President, Industrial Relations

CLARENCE S. MARGACH
Vice President, Education and Training

GEORGE R. SULLIVAN
Vice President and Secretary

JAMES VANCE
Treasurer (effective Sept. 1, 1968)

HARRY S. WILSON
Controller

JOSEPH KOVACS
Assistant Secretary

WILLIAM H. REINER
Assistant Treasurer

ACCOUNTANTS
Price Waterhouse & Co., Cleveland, Ohio

GENERAL COUNSEL
Woods, Aitken and Aitken, Lincoln, Nebraska

TRANSFER AGENTS
First National City Bank, New York City
Continental Illinois National Bank and Trust Company, Chicago

REGISTRARS
Morgan Guaranty Trust Company, New York City
Harris Trust and Savings Bank, Chicago

Left: William H. Wilson
President and Chief Executive Officer

Right: Frank H. Woods
Chairman, Board of Directors

To the stockholders:

1968, the Diamond Jubilee year for A-M, was one of the finest in its 75 year history. Sales were the highest, exceeding all previous years. Net income increased significantly over the prior year despite the effect of the devaluation of the British pound and several other currencies, and the new federal surtax which affected the last seven months operations of the fiscal year.

A number of factors contributed to these gratifying results, including the introduction of new products which are discussed in the marketing section of this report.

SALES

For the fifteenth consecutive year, worldwide demand for A-M's products, services and supplies enabled A-M to top the prior year's sales. Consolidated gross revenues of $378,747,000 were up 5 percent over the 1967 results.

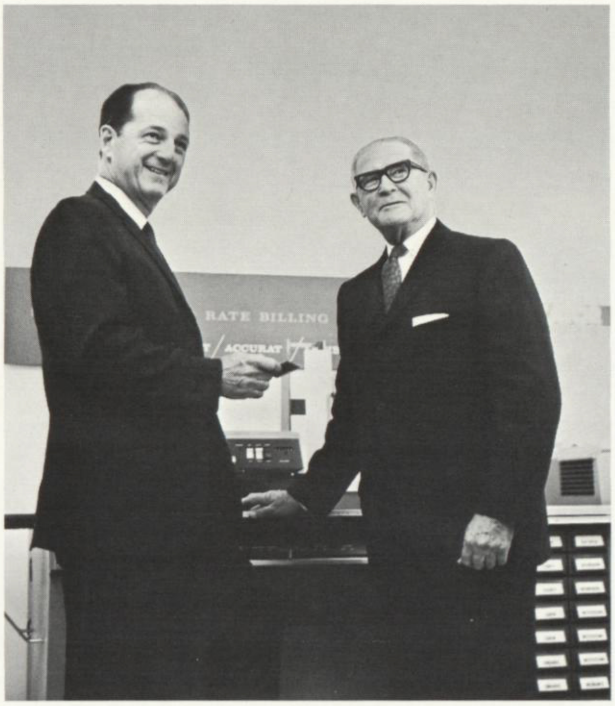
NET INCOME

Consolidated net income for the year was $23,992,000, an increase of 26 percent over the $19,016,000 recorded in 1967. This net income represents 6.3 percent of sales. On a per share basis net income amounted to $2.99, compared with $2.37 a year ago.

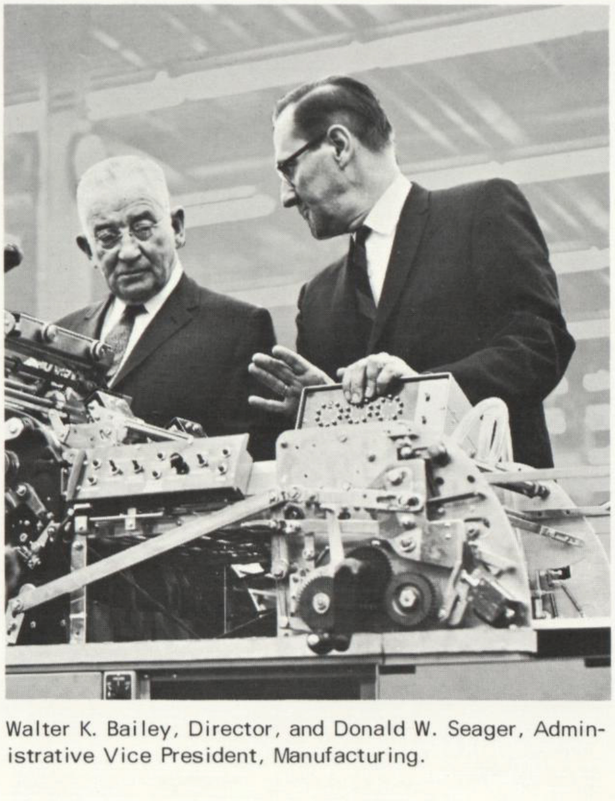
The increase in net income is due to a combination of factors. In addition to the effect of higher sales volume, net income increased because total costs and expenses did not rise in proportion to the increase in revenue, the result of a planned cost reduction program. Also, the effective consolidated tax rate decreased, in spite of the surtax, as a result of greater benefits derived from the 7% investment credit and a decrease in the effective rate of tax paid on the profits of foreign subsidiaries.

Philip M. Aitken, Director, and Woodrow S. Anderson, Administrative Vice President, Corporate.

A. Jay Somers, Administrative Vice President, Control; John S. Fangboner, Director; and Donald C. Adams, Administrative Vice President, Treasury.



Jack M. Lewis, Administrative Vice President, Marketing, and J. Basil Ward, Director.



Walter K. Bailey, Director, and Donald W. Seager, Administrative Vice President, Manufacturing.

DIVIDENDS

During the year, cash dividends of $1.40 per share were paid. This was the 33rd consecutive year during which a quarterly dividend was paid by A-M on its common stock. The total amount of dividends paid out in 1968 was $11,231,000.

The outstanding shares increased slightly during the year from 8,019,861 to 8,025,515 because of the acquisition of a former dealership in exchange for treasury stock.

The number of stockholders of record at July 31, 1968, was 16,300.

FINANCIAL POSITION

Increased activity in our leasing and rental programs required the continuance of short-term borrowings. Because of the tight money situation and the possibility of a prolonged credit squeeze, a two year revolving credit convertible to a four year term loan agreement was negotiated with 12 banks for a total of $65,000,000. Approximately $33,000,000 has been drawn against this agreement, and is included in the long term debt on the Balance Sheet.

Most of the short term debt consists of funds borrowed in local currencies by our international subsidiaries to finance similar leasing and rental programs and to conform to the Foreign Direct Investment Program.

To facilitate compliance with the Federal Government's directives relating to the Foreign Direct Investment Program, A-M formed a new finance subsidiary – Addressograph Multigraph International Corporation. On April 30, 1968 this new financial subsidiary, through an international underwriting syndicate, sold to overseas investors $15,000,000 worth of convertible guaranteed debentures due 1988. The interest rate is 4-3/4 percent and the debentures are convertible into A-M common stock at $80 per share beginning December 1, 1968.

Working capital increased to $140,389,000, producing a current assets to current liabilities ratio of 2.6 to 1.

CHANGES IN MANAGEMENT

As previously announced in August 1967, J. Basil Ward retired as Chairman of the Executive Committee and Chief Executive Officer, effective November 2, 1967. On that day, the Board of Directors elected William H. Wilson as President and Chief Executive Officer. His previous position was President of the corporation.

On January 22, 1968, A. Jay Somers' title was changed from Administrative Vice President and Controller to Administrative Vice President, Control, and concurrently with this change, Harry S. Wilson, formerly Assistant Controller, was named Controller of the corporation.

After almost 50 years of distinguished service, Mr. Howard J. Warwick, Vice President of Manufacturing, announced his retirement as of April 1, 1968. Starting out as an Addressograph serviceman in 1918, Mr. Warwick rose through the ranks in successive management positions to a vice presidency in 1959.

Preparatory to Mr. Warwick's retirement, Harvey D. Chicoine was appointed Director of Manufacturing, effective December 18, 1967, with operating responsibility for the Babbitt Road and Holmesville plants.

As of April 29, 1968, Albert E. Mignone, formerly Vice President, Research and Engineering, was named Administrative Vice President, Research and Engineering. Effective April 15, 1968, Martin W. Hellar was appointed Director, Research and Engineering, with responsibilities primarily directed to the Addressograph and Copier-Duplicator product lines.

On August 29, 1968, James Vance was appointed Treasurer. Concurrently, the title of Donald C. Adams was changed to Administrative Vice President, Treasury.

INDUSTRIAL RELATIONS

Significant improvements were made in employee relations programs of the parent company and subsidiary companies throughout the year.

Edwin C. Bruning, Director; Executive Vice President, Charles Bruning Division, and Clarence S. Margach, Vice President, Education and Training.

Raymond Q. Armington, Director, and Albert E. Mignone, Administrative Vice President, Research and Engineering.

Many national programs, such as National Merit Scholarship, medical, safety, Plans for Progress, and our nationwide employee credit union, proved to be beneficial to both employees and the company.

New or expanded efforts were focused upon employee publications, pre-employment orientation programs, in-plant skill training, as well as training of hard-core disadvantaged young men under the National Alliance of Businessmen Program.

Labor relations throughout the country were good, except for a four week strike called by two of the unions at the Babbitt Road plant in Cleveland, Ohio. Settlement of that strike included wage increases and improvements in employee benefits in keeping with the patterns of settlement in the Cleveland area. These new agreements will run for three years, commencing June 3, 1968.

A-M stockholders will be asked to approve the pension settlement reached with the unions at the November 7, 1968, annual meeting of stockholders.

Other agreements were negotiated in various areas of the country in keeping with local wage and employee benefit practices.

The number of employees remained relatively stable. At the end of the year, there were approximately 24,300 people employed by A-M worldwide.

In beginning its fourth quarter of a century of operations, A-M with its dedicated employees all over the world, is well equipped to continue its forward movement in meeting the many challenges and opportunities of the years ahead.

We again wish to express our appreciation to the stockholders, customers, and employees for their fine support.

William I. Aitken, Director, and George R. Sullivan, Vice President and Secretary.

Herbert F. Bruning, Director, and Edmund F. Franz, Vice President, Industrial Relations.

Frank H. Woods
Chairman of the Board

William H. Wilson
President and
Chief Executive Officer

AN EXAMPLE OF A-M ADVERTISING

The trouble with a cheap education is that we never stop paying for it.

Consider the roots of poverty.

Half of the kids in the primary grades won't finish high school. In America today, one out of three high school students won't graduate.

If the dropouts don't wind up as delinquents or criminals (and their chances are ten times greater than average), they'll wind up with a family.

But with less chance to earn the money it takes to support a family.

The chances are two to one that a man with less than eighth-grade education will earn $3,000 or less. Too little to support a family.

So while we can skimp on dollars for education, we'll spend the money we save–and more–supporting the people who don't have the education they need.

Good schools with good teachers and good facilities can produce good citizens.

Which is why money spent on education represents the best investment we can make.

An investment that never stops paying.

Sources for information contained in this message on request.

This message is sponsored by the **Copier Duplicator division of the Addressograph Multigraph Corp.**
As businessmen who have a stake in education.

First, because we are deeply involved in ways to use communications technology to improve the quality of American education. (For instance, the Multilith offset press has been used in programs that serve to recapture the interest of potential high school dropouts and help prepare them for gainful employment.)

Second, because we believe America's future—and ours—is no better than the future of American education.

If you would like more information on how educators are using the products of the Copier Duplicator division to improve their schools—or if you'd like reprints of this message—write Addressograph Multigraph Corporation, 1200 Babbitt Road, Cleveland, Ohio 44117.

About this advertisement: The first of a series aimed at the educational market, this two-page, full-color advertisement appeared in SATURDAY REVIEW and TIME magazines. A prominent government official wrote President W. H. Wilson: "I was very interested in your May 18 SATURDAY REVIEW advertisement. This kind of approach is deeply encouraging to all of us who have believed that private industry could and would respond enthusiastically to the challenge of current domestic problems." These kind words were among many received from government officials, educators, and concerned citizens. Many thousands of reprints have been requested. If you would like a full color reprint, please use the enclosed card.

The annual stockholders meeting of the Corporation will be held at the office of the Corporation, 1200 Babbitt Road, Cleveland, Ohio, on Thursday, November 7, 1968 at 10 A.M.

The notice, proxy statement and proxy for the meeting will be mailed on or about October 14, 1968.

CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS

for the year ended July 31

	1968	1967
SALES AND OTHER INCOME:		
Net sales and operating revenues	$378,747,000	$359,967,000
Interest, discount and other income	2,720,000	1,425,000
	381,467,000	361,392,000
COST AND EXPENSES:		
Cost of products and services sold	184,731,000	176,925,000
Research, development and engineering expenses	13,346,000	11,162,000
Branch and commission expenses	96,298,000	95,379,000
Other selling, advertising, general and administrative expenses	35,691,000	36,859,000
Interest and debt expenses	3,969,000	1,961,000
	334,035,000	322,286,000
INCOME BEFORE INCOME TAXES AND EXTRAORDINARY ITEMS	47,432,000	39,106,000
PROVISION FOR INCOME TAXES:		
Current – United States	18,864,000	13,945,000
– Foreign	3,264,000	2,510,000
Future	517,000	2,972,000
	22,645,000	19,427,000
INCOME BEFORE EXTRAORDINARY ITEMS	24,787,000	19,679,000
EXTRAORDINARY ITEMS:		
Loss on devaluation of foreign currencies	795,000	–
Settlement of patent litigation, less applicable income tax of $612,000	–	663,000
NET INCOME	$ 23,992,000	$ 19,016,000
PER SHARE OF COMMON STOCK:		
Income before extraordinary items	$3.09	$2.45
Extraordinary items, less applicable income tax	.10	.08
Net income	$2.99	$2.37
RETAINED EARNINGS AT BEGINNING OF YEAR	$ 78,441,000	$ 70,643,000
NET INCOME	23,992,000	19,016,000
	102,433,000	89,659,000
DIVIDENDS PAID – $1.40 per share	11,231,000	11,218,000
RETAINED EARNINGS AT END OF YEAR	$ 91,202,000	$ 78,441,000

CONSOLIDATED BALANCE SHEET, JULY 31

ASSETS

	1968	1967
CURRENT ASSETS:		
Cash	$ 19,401,000	$ 12,393,000
Accounts receivable, less allowance for doubtful accounts of $2,624,000 in 1968 and $2,160,000 in 1967	94,472,000	78,530,000
Inventories (principally finished products) priced at the lower of cost or market	105,028,000	94,970,000
Prepaid income taxes and expenses	11,856,000	10,816,000
	230,757,000	196,709,000
LEASE CONTRACTS RECEIVABLE, due after one year, less unearned finance charges	10,187,000	5,203,000
PLANT AND EQUIPMENT, AT COST:		
Land	3,350,000	3,305,000
Buildings, machinery and equipment, etc.	124,117,000	110,006,000
Rental machines	29,450,000	21,999,000
Leasehold improvements, less amortization	1,375,000	1,228,000
	158,292,000	136,538,000
Less accumulated depreciation	74,398,000	62,610,000
	83,894,000	73,928,000
OTHER ASSETS:		
Excess of cost of businesses acquired over related net assets	3,312,000	3,312,000
Deferred charges	4,526,000	2,735,000
	7,838,000	6,047,000
	$332,676,000	$281,887,000

CORPORATION AND SUBSIDIARY COMPANIES

LIABILITIES AND STOCKHOLDERS' EQUITY

			1968	1967
CURRENT LIABILITIES:				
Bank loans			$ 14,991,000	$ 40,946,000
Accounts payable			18,867,000	19,660,000
Supply and service contract obligations, etc.			20,031,000	17,218,000
U. S. and foreign income taxes			17,666,000	10,363,000
Accrued taxes, commissions, payroll, etc.			12,824,000	9,347,000
Long-term debt due within one year			5,989,000	323,000
			90,368,000	97,857,000
LONG-TERM DEBT (Note 1):				
4-3/4% convertible guaranteed debentures			15,000,000	–
Other long-term debt			40,700,000	11,000,000
			55,700,000	11,000,000
DEFERRED INCOME TAXES			6,767,000	6,250,000
STOCKHOLDERS' EQUITY:				
Common stock, par value $2.50				
Authorized	10,000,000 shares (Notes 1 and 2)			
	1968	1967		
Issued	8,030,506	8,030,506		
In treasury	4,991	10,645		
Outstanding	8,025,515	8,019,861	20,064,000	20,050,000
Capital in excess of par value			68,575,000	68,289,000
Retained earnings, per accompanying statement			91,202,000	78,441,000
			179,841,000	166,780,000
			$332,676,000	$281,887,000

CONSOLIDATED STATEMENT OF SOURCE AND USE OF FUNDS

for the year ended July 31

	1968	1967
SOURCE OF FUNDS:		
Net income	$ 23,992,000	$ 19,016,000
Depreciation and amortization	14,217,000	11,172,000
Future income taxes	517,000	2,972,000
From operations	38,726,000	33,160,000
Additional long-term debt	44,700,000	4,523,000
	83,426,000	37,683,000
USE OF FUNDS:		
Plant and equipment (net)	24,183,000	24,461,000
Cash dividends	11,231,000	11,218,000
Lease contracts receivable	4,984,000	5,203,000
Other	1,491,000	322,000
	41,889,000	41,204,000
Increase (decrease) in working capital	41,537,000	(3,521,000)
Working capital at beginning of year	98,852,000	102,373,000
Working capital at end of year	$140,389,000	$ 98,852,000

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1:

On April 30, 1968 Addressograph Multigraph International Corporation, a subsidiary of Addressograph Multigraph Corporation, marketed $15,000,000 of 4-3/4% Convertible Guaranteed Debentures. These Debentures are convertible from December 1, 1968 into Addressograph Multigraph Common Stock at $80 a share, and 187,500 shares of the common stock have been reserved for this purpose. The Debentures are not redeemable before 1973 except under certain circumstances. Sinking fund payments of $1,500,000 in cash or Debentures are due 1983 through 1987 annually with the balance payable in 1988.

Other long-term debt at July 31, 1968 comprised: $33,150,000 at prime interest rate (6-1/2%) at the time of borrowing, under a revolving credit agreement convertible in 1969 into a 4-year term loan and which requires the company to maintain $100,000,000 in net current assets; and $7,550,000 of other debt, principally at 6-1/2% due 1969 – 1983.

NOTE 2:

On April 29, 1968 the stockholders approved a Qualified Stock Option Plan for officers and other key employees which provides for the granting of options for 150,000 shares of the common stock of the company. During the year options totaling 21,030 shares were granted at $69.32 per share, none of which were exercised.

NOTE 3:

The Company and its consolidated subsidiary companies have several retirement plans, contributory and non-contributory, covering both factory and office employees. In general, the participants' retirement benefits are based on compensation, length of service, etc. Under the terms of the plans, the companies pay annually into trust funds, sums sufficient to cover the current service and to amortize prior service cost mainly over 30 years. The total pension expense for the years ended July 31, 1968 and 1967 was $4,136,000 and $4,085,000 respectively.

NOTE 4:

At July 31, 1968, the Company and its subsidiaries operated at numerous locations under leases, exceeding 3-year terms, having a minimum annual rental aggregating approximately $4,710,000 in addition to which the Company pays taxes, insurance, and other expenses relating to most of the leased premises.

NOTE 5:

Certain reclassifications of balance sheet accounts at July 31, 1967 have been made to conform to a recent opinion issued by the Accounting Principles Board of the American Institute of Certified Public Accountants relating to income taxes. The application of this opinion had no effect on net income.

OPINION OF INDEPENDENT ACCOUNTANTS

To the Stockholders and the Board of Directors,
Addressograph Multigraph Corporation

In our opinion, the accompanying consolidated balance sheet, the related statements of consolidated income and retained earnings and the statement of source and use of funds present fairly the financial position of Addressograph Multigraph Corporation and subsidiary companies at July 31, 1968, the results of their operations and the supplementary information on funds for the fiscal year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Our examination of these statements was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Cleveland, Ohio
August 30, 1968

PRICE WATERHOUSE & CO.

WORLDWIDE OPERATIONS

The consolidated net sales and earnings and the consolidated net assets are grouped separately for the United States and international operations in the tables below. The financial position of the international subsidiaries is shown as of June 30, 1968, which is their fiscal year end.

RESULTS OF OPERATIONS (in thousands)

	United States	International	Worldwide Totals
Net sales	$283,726	$95,021	$378,747
Other income	2,093	627	2,720
	285,819	95,648	381,467
Costs and expenses	247,980	86,055	334,035
Income before taxes and extraordinary item	37,839	9,593	47,432
Income taxes	18,063	4,582	22,645
Income before extraordinary item	19,776	5,011	24,787
Extraordinary item	–	795	795
NET INCOME	$ 19,776	$ 4,216	$ 23,992
Per share:			
Income before extraordinary item	$ 2.46	$ .63	$ 3.09
Extraordinary item	–	.10	.10
Net income	$ 2.46	$ .53	$ 2.99

FINANCIAL POSITION (in thousands)

	United States	International	Worldwide Totals
Current assets	$174,202	$56,555	$230,757
Current liabilities	65,250	25,118	90,368
Working Capital	108,952	31,437	140,389
Plant, equipment and other non-current assets	81,059	20,860	101,919
	190,011	52,297	242,308
Less: Long-term debt	39,521	16,179	55,700
Deferred income taxes	6,098	669	6,767
NET ASSETS	$144,392	$35,449	$179,841
Per share	$ 17.99	$ 4.42	$ 22.41

INTERNATIONAL

Progress was made by A-M's International operations in 1968. New record highs were set in both sales and net income from normal operations.

Total International sales amounted to $95,021,000, an increase of 12 per cent over 1967. This represented 25 per cent of A-M's total sales volume. Net income improved to $5,011,000 before recognition of the extraordinary item.

The accelerating sales and rentals of A-M copiers in the European countries have resulted in substantially greater requirements for copier paper and supplies. To meet this rising demand, a ten acre site was purchased in the Hauts-Sarts Industrial Park near Liege, Belgium . . . and construction begun on a manufacturing and distribution facility to supply the requirements of the ten A-M subsidiaries in Europe. Completion of the structure is scheduled for early 1969. This local source of supply will result in faster deliveries, decreased transportation costs, reductions in import duties, and lower inventory requirements.

The International Division Staff at World Headquarters in Cleveland was further strengthened by the addition of marketing personnel to assist A-M subsidiaries, branches and dealers throughout the world in training of personnel and expanding market coverage in the various product lines.

Manufacturing and/or distribution facilities were increased during the past year by A-M operations in Australia, France, Germany, Great Britain, Netherlands and Puerto Rico.

A-M products are marketed outside the U. S. through a network of subsidiaries and branch offices in 113 locations . . . and through 86 independent dealers in other key world market areas. All of these outlets are staffed to provide a full range of service on A-M equipment.

Total employment in company-owned international operations now exceeds 7,200.

TEN-YEAR SUMMARY FOR THE YEARS ENDED JULY 31

CORPORATION

...helping people communicate

RESULTS OF OPERATIONS	1968	1967	1966
Net sales and operating revenues	$378,747,000	$359,967,000	$327,114,000
Net income	$ 23,992,000†	$ 19,016,000†	$ 26,622,000
Net income per share*	$2.99†	$2.37†	$3.33
Net income as a percentage of sales	6.3%	5.3%	8.1%
Net income as a percentage of average invested capital	13.8%	11.7%	17.6%
DIVIDENDS AND EARNINGS RETAINED			
Number of shares issued and outstanding*	8,025,515	8,019,861	7,992,106
Cash dividends paid	$ 11,231,000	$ 11,218,000	$ 11,189,000
Cash dividends per share*	$1.40	$1.40	$1.40
Stock dividends paid	–	–	–
Earnings retained	$ 12,761,000	$ 7,798,000	$ 15,433,000
FINANCIAL POSITION AND STOCKHOLDERS' EQUITY††			
Working capital	$140,389,000	$ 98,852,000	$102,373,000
Ratio of current assets to current liabilities	2.6 to 1	2.0 to 1	2.5 to 1
Total assets	$332,676,000	$281,887,000	$239,024,000
Total liabilities	152,835,000	115,107,000	80,233,000
Stockholders' equity	$179,841,000	$166,780,000	$158,791,000
Stockholders' equity per share*	$22.41	$20.80	$19.87
OTHER DATA††			
Additions to plant and equipment (net)	$ 24,183,000	$ 24,461,000	$ 19,689,000
Depreciation	$ 13,990,000	$ 10,993,000	$ 8,401,000
Net plant and equipment	$ 83,894,000	$ 73,928,000	$ 60,639,000
Number of employees	24,300	24,300	23,500
Number of stockholders	16,300	19,300	18,500

1965	1964	1963	1962	1961	1960	1959
$269,086,000	$244,736,000	$233,131,000	$173,873,000	$162,331,000	$155,962,000	$132,150,000
$ 18,439,000	$ 17,144,000	$ 15,562,000	$ 13,151,000	$ 12,177,000	$ 12,694,000	$ 9,834,000
$2.31	$2.15	$1.95	$2.00	$1.85	$1.93	$1.50
6.9%	7.0%	6.7%	7.6%	7.5%	8.1%	7.4%
13.2%	13.1%	12.7%	14.7%	14.8%	16.9%	15.3%

7,992,106	7,992,106	7,986,793	6,576,893	6,576,893	6,541,703	6,541,703
$ 10,390,000	$ 8,438,000	$ 6,577,000	$ 5,890,000	$ 5,759,000	$ 4,917,000	$ 4,492,000
$1.30	$1.10	$1.00	$ .90	$ .88	$ .75	$ .69
–	–	–	2%	2%	3%	3%
$ 8,049,000	$ 8,674,000	$ 7,555,000	$ 7,261,000	$ 6,418,000	$ 7,777,000	$ 5,342,000

$ 93,851,000	$ 89,279,000	$ 82,138,000	$ 61,057,000	$ 59,129,000	$ 53,826,000	$ 49,338,000
2.9 to 1	3.0 to 1	2.9 to 1	2.8 to 1	2.9 to 1	2.7 to 1	2.9 to 1
$195,573,000	$182,214,000	$172,832,000	$128,432,000	$117,602,000	$111,170,000	$ 98,597,000
52,215,000	46,906,000	46,154,000	35,485,000	31,915,000	32,397,000	27,565,000
$143,358,000	$135,308,000	$126,678,000	$ 92,947,000	$ 85,687,000	$ 78,773,000	$ 71,032,000
$17.94	$16.93	$15.85	$14.13	$13.03	$12.04	$10.86

$ 9,582,000	$ 7,664,000	$ 7,736,000	$ 9,122,000	$ 5,414,000	$ 6,405,000	$ 4,171,000
$ 7,239,000	$ 6,551,000	$ 5,817,000	$ 4,232,000	$ 3,858,000	$ 3,314,000	$ 2,763,000
$ 49,506,000	$ 47,314,000	$ 46,357,000	$ 32,035,000	$ 27,243,000	$ 25,687,000	$ 22,596,000
19,700	18,400	17,900	14,700	14,900	15,000	13,800
19,300	17,900	13,700	11,000	9,600	7,800	6,200

NOTE: The results of the Charles Bruning Company are included for Fiscal Years 1963 through 1968 only.

†After extraordinary item of $795,000 or 10¢ per share in 1968 and $663,000 or 8¢ per share in 1967.

*Adjusted for all stock dividends and for stock splits (2 for 1 in fiscal 1960; 3 for 1 in fiscal 1959).

††Certain balance sheet accounts have been reclassified as explained in Note 5 to Consolidated Financial Statements.

RESEARCH & DEVELOPMENT

During the past year, advances have been made in broadening the base of A-M Research and Development activities, and in accelerating the translation of proven concepts into new products or the improvement of existing products.

There was continuing emphasis and encouragement of the inter-disciplinary approach to problem-solving, restructuring and streamlining organization, and establishing more effective project controls.

Scientific and engineering staffs have grown at a planned rate in numbers of personnel and diversity of disciplines. These increases are reflected in R & D expenditures which have again risen at the 20% yearly increase rate which has been the pattern for the past three years.

The company's technical developments are organized on an integrated corporate basis with divisional laboratories contributing to overall developments according to their main areas of competence.

Our technical explorations continue to probe new areas in image creation, duplication, data collection and dissemination, utilizing photo conduction electron-optics and other technologies that show promise for the products of the future.

Emphasis is being placed on the coordination of diverse technologies. An example is the coupling of electrical and mechanical design skills needed to develop innovative input-output equipment.

The program has been facilitated by strengthened top R & D management. An experienced, creative administrator has been appointed as Director of Addressograph and Copier-Duplicator Research and Engineering. This has freed R & D management at the corporate level to devote more time to the overall integration of technical programs in all divisions and subsidiaries. This becomes increasingly important as the inter-relationship of A-M's product lines continues to grow.

A research and development laboratory has been established at the Guilford, Connecticut, plant of Emeloid to extend the technical capabilities within the Emeloid organization. This laboratory is now staffed and equipped, and development projects for the Emeloid subsidiary are under way.

Concurrent with these moves, overall project planning and controls have been extended to speed the development of new products. This is being accomplished by stepped-up coordination among Market Research, Product Planning, Research, Development, Engineering, and Manufacturing functions.

Such close working relationships aid in improving the pace of introducing new developments and products into the market place.

In the extension of Addressograph input systems to serve the source data needs of Electronic Data Processing systems, significant new and more sophisticated approaches are being developed.

On a related front, electronically programmed phototypesetting equipment will extend the marketplace for VariTyper services in the high-speed composition field.

A-M is maintaining its leadership in the trend toward the use of automated duplicators. Again, a strong base of electro-mechanical technology is providing break-throughs which are bringing new values to users – in the form of high-quality copies at a fraction of a cent each.

Computer-age technology is also generating results in the highly competitive copier field. The most significant advance is in the Electronic Image Systems Telikon development which is a new type of office copier – designed for the long-distance transmittal of graphic information.

All of these programs – and many others – are being advanced by timely inter-action among all corporate departments concerned with R & D results.

On still another front, substantial progress is being made in cost reduction programs undertaken jointly by engineering and manufacturing personnel. This is a most important objective in the highly competitive business machines field.

INTENSITY
FOCUS
ASTIG
TRACE ROTATION
SCALE ILLUM
INTEGRATE TRACES
ENHANCE MODE
ENHANCE LEVEL
UPPER
FULL
LOWER
DISPLAY
SIGNAL & TRIGGER SOURCE
TYPE 1A4
FOUR - CHANNEL AMPLIFIER
SIGNAL OUTPUT
MODE
CHOP
ALT
ADD
1&2
3&4
CHANNEL 1
CHANNEL 2
CHANNEL 3
CHANNEL 4
POSITION
IDENTIFY
GAIN
V/CM
VAR BAL
VARIABLE
INVERT
PULL
TIME/CM
mSEC
SEC

Dedicated to . . .
HELPING PEOPLE COMMUNICATE

A number of new programs and facilities have been established to further build the marketing and service strengths of every product division.

SALES. A new corporate training program is being given to all Branch Sales Managers and Salesmen. The course material . . . of college level . . . has been specifically designed for A-M Field Marketing use. More than 4000 representatives will receive training in calendar year 1968.

SERVICE. In addition to expanded training facilities at VariTyper and Bruning, a new A-M Service Training Center has been established in Cleveland . . . complete with machine work areas, individual product classrooms and meeting auditorium.

MARKETS

During Fiscal 1968, A-M sales scored the highest volume mark in the corporation's 75-year history. This record is the result of developing and marketing innovative equipment and systems to serve an ever-broadening market base.

Computer-age electronic technology played two important roles in spurring sales. First, in the expansion of A-M's markets, and second, in the development of new and improved products.

A-M's markets continue to expand for many good reasons. Worldwide business growth . . . advances in industrial technology . . . increasing complexities in business operations and products . . . mushrooming legislation . . . need for planning and cost controls . . . have furthered the proliferation of business forms and other communications.

The scarcity of white-collar personnel and mounting management responsibility make time itself a precious commodity. Getting more done with fewer people is the business way of life today.

The burgeoning use of electronic data processing (EDP) equipment has added to the problems of business communications and information processing. More forms . . . going to more people . . . coming from more people . . . being processed and used at point of transaction or transmitted to distant points. Forms no longer provide people-to-people communication alone. The paper network of business must now fulfill a variety of purposes – machine-to-machine . . . people-to-machine . . . machine-to-people.

These expanding requirements of business and government are served efficiently and economically by A-M systems at all market levels . . . whether it be the processing of data with increased efficiency at lower cost . . . or more sophisticated input-output peripheral equipment, capable of handling both human-sensible and machine-sensible languages with never-failing accuracy.

In the pages that follow, some developments of each product division are highlighted.

The positive results being achieved by an effective combination of markets – products – training and progressive marketing programs are being demonstrated in terms of increased sales in growth markets.

ADDRESSOGRAPH

Although the Addressograph metal plate continues to be a highly popular means of writing data, the plastic card and associated Source Data Automation (SDA) equipment enjoyed the greatest increase in volume, because of their roles in computer input. Data recorders, Graphotype embossing machines, and electronic scanners eliminate manual key-punching for conversion of business data into machine language. In many cases, A-M point-of-use terminals make computer processing economically feasible.

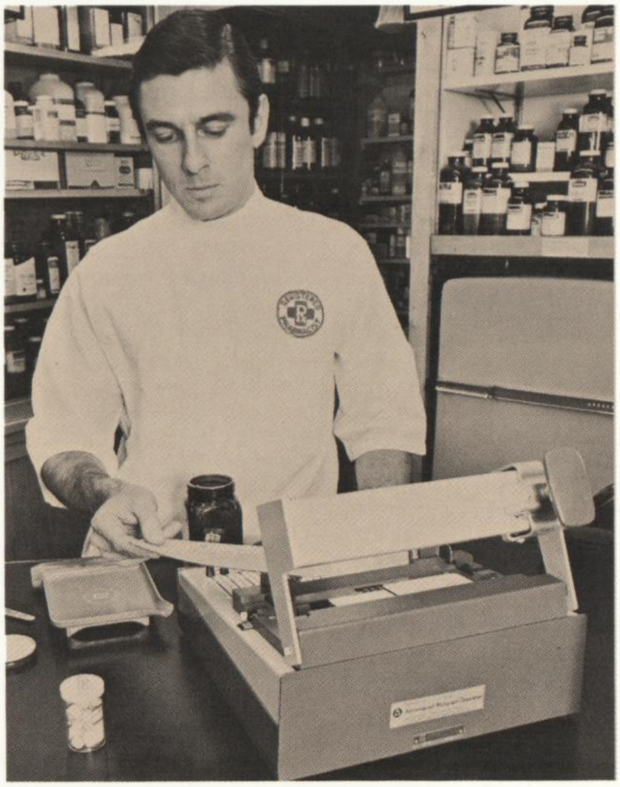
Addressograph wire transmission facilities send recorded source data over public or private telephone lines to remote data processing locations, and Addressograph data gathering machines receive instructions and other information from computer locations.

Hospital nursing stations use small, inexpensive Addressograph data recorders to write patient data swiftly and accurately on various medical records. Such timely, accurate recording aids in the control of patient service charges which have been a longtime problem in hospital accounting. Medicare record keeping workloads continue to expand, and hospitals are finding A-M SDA systems a practical solution to economical processing and proper documentation.

Addressograph source data methods control operating costs for state highway departments, utilities and service companies with large fleets of trucks. At service station pumps, in department stores and other retail establishments, Addressograph input methods are being used for credit accounting.

Bank sponsored community credit plans continue to flourish. Addressograph identification and charging systems are widely used in this market. These are but a few of the many prime markets for Addressograph EDP support equipment.

Millions of plastic credit cards are being processed through a new Addressograph facility in Mt. Laurel, New Jersey, which reached full operation this year. In this largest credit card issuing center in the world, Addressograph customers are provided a



Addressograph Data Recorders are popping up in drugstores all over the New York area. With Addressograph plastic cards, they are helping the druggist communicate prescription drug data to the Greater New York's Blue Cross, and making possible a prescription drug program as a part of the plan.

complete service that includes conversion of their lists from magnetic tape or punched cards to paper tape, embossing, typing, punching, proofing, assembling and mailing. The facility includes the ultimate in security measures with complete fencing, alarms and protective vaults.

As an extension of the print-out station of the computer, Addressograph transfer printers process unit mailing forms and allow random posting of computer data to historical ledgers, such as school transcript records, payroll ledger cards, inventory cards and credit reference documents.

A new high-speed electro-mechanical transfer printer is capable of addressing mail at the rate of 20,000 pieces every hour, using continuous form listings printed from computers.

The past year, a new Addressograph plastic identification card was developed and released for sale. This creates an attractive, tamper-proof, self-writing identification card complete with color photo.

Addressograph automatic embossing machines are on automobile assembly lines all over the country producing permanent, easy-to-read, metal identification plates from punched tape.

Addressograph metal plate sales continue to grow, especially with applications concerned with scheduling. This field includes the scheduling of production maintenance, fuel oil deliveries, route truck deliveries, dental appointments and rubbish pick-ups. In many cases, with the use of an Addressograph scheduling system, billing and mailing work is done as a by-product of scheduling.

Data, collected at the source by Addressograph Data Recorders, can be sent over wire to remote processing stations with this Addressograph 9600. This high speed machine can be operated by regular office personnel.

The Trust Department of the Huntington National Bank, Columbus, Ohio, has increased the utility of its data processing equipment and improved communications with its clients with an Addressograph 431 Transfer Printer. This model takes the output of the computer and automatically transfers data to unit forms such as checks, envelopes, proxy notices, etc.

COPIER-DUPLICATOR

The merging of the former Multigraph and Electrostatic Copier sales and service divisions into the Copier-Duplicator Division has been completed.

This is particularly timely in view of the needs of the business community and government to achieve greater productivity at lower cost.

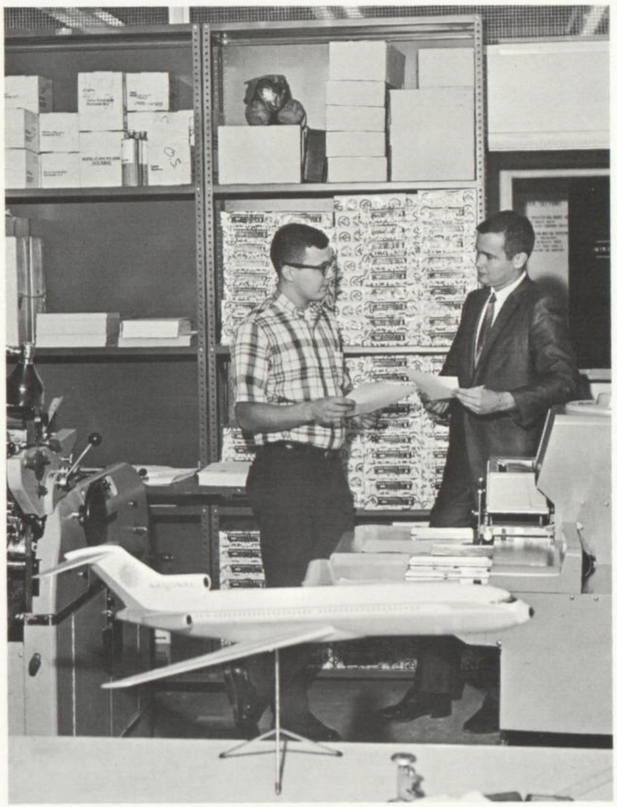
Copier-Duplicator representatives have gained the experience needed to become true experts. They are fully qualified to analyze all aspects of copying and duplicating requirements, and select the best product or combination of products to solve specific problems.

TOTAL COPY MARKETS. Business and government have accorded an excellent reception to A-M Copy Center concepts. By combined use of the 2000 Copier and the 2650 Duplicator, customers are enjoying great advantages in speed, economy and quality of copy. The response to the Copy Center idea has far exceeded expectations.

In practice, the copier is used to produce a maximum of five copies per original. Copy requirements exceeding that are served by using one copy from the A-M copier as a master on the automated duplicator, which produces high quality copies – 150 per minute – on ordinary paper – for a fraction of a cent.

COPIERS. Progress was made in the placement of A-M copiers. The proven 2000 and 2100 Copiers have continued to gain acceptance in higher volume markets. In addition, significant progress has been made as a result of multi-unit placements in larger companies under the Copy Service Plan. This provides many customers, who use millions of copies annually, with a guaranteed per copy cost anywhere in the company. For the high-volume, single-machine user, a Unit Volume Plan was introduced which provides advantages for this type of installation which are similar to the Copy Service Plan.

The release of the 3000 electrostatic copier earlier this year added a significant product to the A-M Copier line. Capitalizing on its highly reliable performance, this unit has proved to be the prestige



The Home Office of National Air Lines, Miami, Fla., utilizes an A-M copy center – a 2000 copier and a 2650 duplicator – to improve the quality and reduce the cost of its internal communications. Substantial savings and increased flexibility are being reported.

copier for the medium and low volume user. In addition to such desirable features as high fidelity copies from a complete range of densities and colors and "book copying" capabilities, the 3000 is the only copier in its price range that allows the user to make size-for-size copies or to reduce copy size by a simple lever movement.

New additions to the A-M Copier line, the 500 and 600, will be marketed in the last quarter of 1968 for low-volume or decentralized use. These low-cost, lens system copiers will not only produce high-quality copies of original documents, but also may be used to image Multilith offset masters.

DUPLICATORS. Computer installations requiring copies of computer-prepared reports have been turning to the Copier-Duplicator Division in increasing numbers. Much of the activity in this market is due to the popular 2650 automated duplicator.

The early release – projected for the first quarter of calendar year 1969 – of a completely automated duplicator, the 2750, will provide outstanding advantages in high volume installations. Utilizing electronic programming circuitry to provide unattended operation, the 2750 will produce copies from a pack of masters on a continuous production basis.

Helping people communicate via graphic arts means a new career for many unemployed. This Cleveland, Ohio job training center, completely equipped with Multilith Duplicators, accessories and supplies, is only one of hundreds being established all over the country.

Such automation yields ten copies for each of six masters in one minute's time. When used with an A-M sorter or collator, multiple-page reports are produced as fast as the computer can produce the masters. This is a significant addition to the A-M line of duplicators. It will find application in many other heavy-volume market segments.

We continue to have good increases in the education market. A-M duplicators are being used to produce school instructive and administrative materials. They also serve as a teaching tool for vocational training and industrial arts.

In the graphic arts market, deliveries have begun on the second color unit for the 1850 (18" x 15") model. This attachment permits the running of two colors in one pass through the machine, increasing production, simplifying operations, and reducing labor costs.

AMCD DEVELOPMENT

In June of this year, advance production units of new AMCD-I Copy-Duplicators were field tested in high-volume installations in certain selected companies. The AMCD-I is a high-speed copy-duplicator capable of producing high quality copies in desired numbers from an original having copy on a single side.

Customers who cooperatively participated in these extensive field tests were most enthusiastic about the features and advantages of this new product. Valuable information was obtained as to certain design improvements which will be incorporated in all production units.

Due to a four-week work stoppage and a customary annual vacation, factory production on the AMCD-I was delayed. Concurrently, development work continued on the AMCD-II, the latter machine incorporating a lens system to handle two-sided originals. As a result, the time differential between the release of the two models was significantly shortened.

In view of these facts, a decision has been reached to expedite production and release of the AMCD-II and bring it to market at the earliest possible date, presently projected for the second quarter of calendar 1969. Because of the resultant short market life of the AMCD-I, it will be withheld from production. Other marketing factors influencing this decision is the fine acceptance of A-M Copy Centers, and the imminent release of the completely automated A-M 2750 duplicator and the A-M 500 and 600 copiers.

The decision to market only the new AMCD-II Copy-Duplicator equipped with a lens system is in keeping with A-M's corporate policy to bring to market the finest possible product – at the lowest price – at the earliest date.

A marketing agreement recently concluded with Mead Corporation adds a line of cut-size paper to supplies sold by the Copier-Duplicator Division. This new product, a proprietary paper, was designed to provide highest quality results from A-M's machines.

BRUNING ENGINEERING

During the year, the Bruning Engineering Division introduced four new reprographic machines – more than any other period in its history. Initial deliveries indicate they will be well received, enabling Bruning to expand its role as the leading manufacturer of diazo machines and materials. For the first time, modular design concepts have been employed, creating a design that can be manufactured as a ''moist'' or ''dry'' developing machine.

One of the new models – the 870 – is a highly styled reproduction machine for the copying of engineering drawings up to 42 inches in width. It offers many construction features not available on other units in its price range. Its capacity is rated for medium-to-large volume users.

Another – the 470 – is a modular companion to the first, and 70% of the parts are interchangeable. It is unique in that it does not require ammonia for the development of prints, and can be positioned anywhere in the drafting room, or buildings that do not allow an ammonia development system. With those two machines, Bruning will span the market of the medium-to-large volume user.

The third new model is a chemical diazo unit – the 450. It does not require ammonia development. It is priced and engineered to fill low-to-medium volume requirements.

The fourth new machine – the 46 – combines exposure and development in one unit. Its new contemporary design offers quality reproduction for a small volume of large copies. It uses ammonia, but no venting is required. The ammonia continually recirculates inside the machine.

The heavy-duty dry diazo model – the 840 – is now in production. Automatic double-roll feeding and built-in sensing are key features of this new whiteprinter. The 840 senses the length and width of originals, and selects the correct roll for economical operation. The length of each print is then cut to the proper sheet size automatically. It is designed to serve high volume, small size requirements.

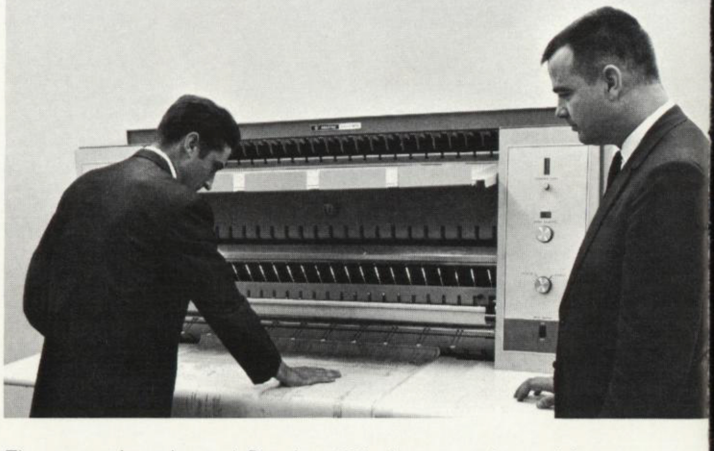
With the increasing acceptance of photo-composition, there is a real need for a proofing machine that does not require photographic negatives and eliminates press proofing. Another new machine developed by Bruning has met this need. It provides quality proofs directly from newspaper paste-ups – far less expensively than methods previously available.

Supply products were also developed for the engineering drafting media market – a new polyester drafting film and a new photographic emulsion for cloth and film base products.

With the development of microfilm systems, old and worn engineering drawings still in active use are being microfilmed. A new line of ''CB'' wash-off photographic films and cloth was recently released.

Bruning, too, has market interest in the educational fields. A new line of diazo films for use in producing visual educational materials for overhead projection was introduced last year.

The Akron Beacon Journal was one of the first newspapers in the country to install the new Bruning 1400. This model copies Advertising proofs from paste-ups in sizes up to 18'' x 24'' for an average of 10¢ per copy at the rate of two per minute.



The recently released Bruning 870 that reproduces blueprints up to 42'' wide is helping the International Controls Corporation, an operating unit of TRW, Houston, Texas, with engineering communications.

VARITYPER

VariTyper is beginning shipments of the new AM-725 Phototypesetter. This is a high-volume, high-quality, electronically programmed phototypesetting machine designed to serve high-volume composition requirements which are emerging from the current information explosion.

This new phototypesetting machine is controlled by machine-language media produced on computers or other automated business machines. This unit is the most versatile and advanced phototypesetting unit in the medium priced class. Initial prospect reaction indicates a deep penetration potential in newspaper, commercial graphic arts and in-plant reproduction markets.

Backed by intensive and professional marketing, the recently announced 720 cold-type composing machine and related models continue to gain good acceptance. Sales in commercial graphic arts and in-plant reproduction markets will continue to expand as the use of VariTyper direct impression and photocomposing machines is extended.

Interest continues to mount in the use of VariTyper equipment in the educational field – vocational and industrial arts courses. Three notable examples are: the New York City Board of Education which purchased 39 Headliner machines for its industrial arts programs; the Pennsylvania School for the Deaf, where the full line of VariTyper products is in use in the vocational training of handicapped; and the Oakland, California Unified School District, where cold-type training on VariTyper equipment is combined with art instruction to form a unique course.

In the first quarter of calendar year 1969, a number of additional new and improved products are scheduled to be announced. These will further extend the base of VariTyper services to the type composing market.

VariTyper 720 composing machines play an important part in teaching valuable skills to the handicapped. The Pennsylvania School For The Deaf utilizes these models for their own communications work as well as for vocational training classes.

Helping draftsmen communicate to engineers is the function of these wide carriage VariTyper 350 and 360 models. There are 27 of these machines at STEVENS ENGINEERING, a subsidiary of ENGINEERS, Incorporated, Newark, New Jersey.

The new A-M 725, being demonstrated here to a representative of the Star Press, Holyoke, Massachusetts, is designed to help people communicate in high speed fashion. It will produce quality text, tabular and display type up to 18 points for newspapers, magazines, books, directories, etc., at speeds up to 20 newspaper lines per minute.

EMELOID

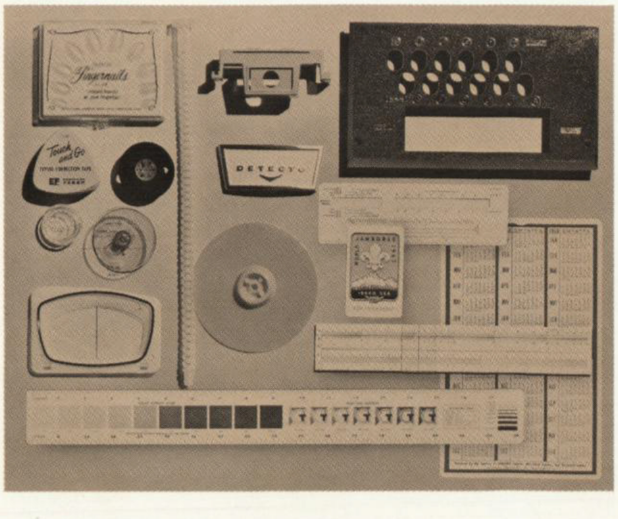
The use of plastic cards produced by the Emeloid subsidiary continues to grow as new markets are developed by the Addressograph Division.

Credit cards – data storage cards – identification cards – are being sold to manufacturers, retailers, wholesalers, hospitals, restaurants, schools and colleges, petroleum companies, banks, government and numerous other activities to mechanize data writing chores.

Emeloid continues to supply plastic cards used in telephone automatic dial card systems. In another important area, plastic parts and specialties are purchased in large quantity by manufacturers, pharmaceutical companies, promotional departments, and others interested in the economy and attractiveness of plastic items.

In addition to hundreds of parts used in the manufacture of A-M machines, Emeloid produces a large variety of printed, moulded and vacuum formed plastic parts for other manufacturers. Many are developed as well as manufactured by Emeloid. Example: A moulded tube to replace a stainless steel spring at one-tenth the cost.

The installation of new production machinery during the past year has enabled Emeloid to broaden the base of their product capabilities to include additional consumer products. For instance, they are now working with thermo-electric plastics producing three parts of an electric egg cooker for a prominent manufacturer.



This growing subsidiary has become an important source of supply to the parent company of plastic parts. Corporate engineering and design activities are being coordinated to make full use of Emeloid's know-how in the field of plastic materials.

Also expanding is Emeloid's market sales to other companies in the office equipment industry. In addition to some machine parts, they furnish printed scales, rules, dials and other instruments.

BUCKEYE RIBBON & CARBON

Accelerated growth in the establishment of national ribbon and carbon contracts, which provide customers an economical method of procurement, has broadened Buckeye's national distribution base. Buckeye is meeting this need with an expansion of its direct sales organization into new marketing areas, and sharing branch facilities with other A-M divisions. Six new distribution areas were opened last year.

Buckeye supplies many ribbon and carbon products to parent company divisions and subsidiaries, for use and resale with their own equipment lines. Buckeye is also a major supplier of heat-transfer carbon for Addressograph transfer printers, solvent one-time carbons, film ribbons for magnetic scanning and special carbons for optical scanning applications.

A big share of Buckeye's new business is coming from a newly developed silverized ribbon for use in high speed computer printers. Field tests have shown that the ink in this new ribbon will actually outlast the fabric.

A steadily increasing number of businesses are turning to A-M's Buckeye Ribbon & Carbon Subsidiary for their private brands of typewriter ribbons and carbon paper.

ELECTRONIC IMAGE SYSTEMS

During the past year, Electronic Image Systems, a research arm of A-M, has been concentrating on the development and commercialization of Telikon – a new type of office copier – for long-distance transmittal of graphic information.

This full scale development effort is reflected in a 50% increase in R & D staff and a 100% increase in physical research facilities.

Because of the great interest in Telikon from business, government and the financial community, a series of seminars were held in June at the Cambridge Headquarters of EIS. The purpose of these seminars was to acquaint interested companies with this new development and update them as to the status of the project.

Initial sessions were over-subscribed, so additional ones were scheduled. A total of 86 companies and government agencies participated. Almost half of the 150 representatives in attendance were financial analysts.

The demonstrations included side-by-side comparisons with competitive facsimile units and utilized a 400-mile "live" standard loop telephone line from Boston to New York and back to Boston.

Following the June seminars, plans were finalized with a large steel company to pilot an installation of Telikon units. This is scheduled for the last quarter of calendar 1968.

At this point in time, product development and marketing planning are targeted at providing a long-distance copy system which is low cost, fast, reliable in use and produces high-quality copies.

In terms of cost, Telikon can transmit a single page for about 50¢. The same document costs $3 using a facsimile printer. When considering speed, Telikon has the potential to perform six times faster than conventional facsimile.

During the past year, EIS delivered a number of additional photo-facsimile machines to NASA, and completed the development and delivery of automated film processors and photoprinters to this same agency. The latter machines produce fully developed photographic negatives one minute after exposure, and accept negatives and produce multiple copies of professional quality photographic enlargements within 20 seconds.

This Telikon receiver is ready to receive copy from some distant point. The machine shown is capable of being used in many other graphic communication print-out applications including computer systems and information retrieval systems.

Many financial analysts attended a recent demonstration of Telikon, A-M's new graphic communication system.

EXPANDING FACILITIES

Due to the expansion of our business, new branch sales and service facilities became necessary in many areas of the country. During the past year larger quarters were completed and occupied in Baton Rouge, Corpus Christi, El Paso, Indianapolis, Memphis, Oklahoma, St. Louis, St. Paul, San Diego and San Jose.

All new buildings are located to provide convenient access and parking for our customers and employees. Modern facilities are available to demonstrate and service our products.

Our program for providing adequate sales and service facilities in all important areas continues. Plans are underway for a number of new buildings to be completed in the coming year as well as plans for modernizing older facilities, keeping them as comparable as possible, with our newer buildings.

In September we occupied the new Chicago Branch Sales Office which was reported as under construction in the 1967 Annual Report. On October 1, we will occupy the new addition to our Los Angeles office and start modernizing the older portion. When completed, this building will provide customer facilities as fine as anything on the West Coast.

Also by October 1, the new VariTyper plant in Hanover, New Jersey, will be completely occupied by office and factory personnel. Plans for this new building were discussed in a previous Annual Report.

Expansion of our overseas facilities continues. A new plant is under construction in the Hauts Sarts area near Liege, Belgium. A substantial addition to our plant at Sprendlingen, Germany (near Frankfurt) is nearing completion as is our new head office for the Dutch Company at The Hague. In England we are adding an addition to our manufacturing facilities at Hemel Hempstead. All of these projects will enable us to provide better service to our customers.

Baton Rouge, Louisiana

El Paso, Texas

San Diego, California

San Jose, California

AM CORPORATION

WORLD HEADQUARTERS

1200 Babbitt Road, Cleveland, Ohio 44117

UNITED STATES SALES AND SERVICE BRANCH OFFICES

The company and its subsidiaries have sales and service offices in 214 of the principal cities of the United States.

UNITED STATES SUBSIDIARIES

NEW JERSEY	VariTyper Corporation	Hanover
	The Emeloid Co., Inc.	Hillside
MASSACHUSETTS	Electronic Image Systems Corporation	Cambridge
OHIO	The Buckeye Ribbon & Carbon Co.	Cleveland
	Buckeye Holmesville Mfg. Co.	Holmesville

INTERNATIONAL SUBSIDIARIES AND BRANCHES

ALASKA	Addressograph Multigraph Corporation	Anchorage
ARGENTINA	Addressograph Multigraph Corporation	Buenos Aires
AUSTRALIA	Addressograph Multigraph of Australia Pty. Ltd.	Melbourne
AUSTRIA	Addressograph Multigraph Gesellschaft m. b. H.	Vienna
BELGIUM	Addressograph Multigraph (Belgium) S. A.	Brussels
	Addressograph Multigraph de Liege S. A.	Liege
BRAZIL	Addressograph Multigraph do Brasil S. A.	Rio de Janeiro
CANADA	Addressograph Multigraph of Canada, Limited	Toronto, Ontario
DENMARK	Addressograph Multigraph A/S	Copenhagen
FINLAND	Oy Addressograph Multigraph AB	Helsinki
FRANCE	Addressograph Multigraph S. A.	Paris
GERMANY	Addressograph Multigraph G. m. b. H.	Frankfurt/Main
GREAT BRITAIN	Addressograph Multigraph Limited	Hemel Hempstead, Herts
	Admel International Ltd.	Weybridge, Surrey
HAWAII	Addressograph Multigraph Corporation	Honolulu
JAPAN	Addressograph Multigraph of Japan, Ltd.	Tokyo
MEXICO	Addressograph Multigraph de Mexico, S. A. de C. V.	Mexico City
NETHERLANDS	Addressograph Multigraph (Nederland) N. V.	The Hague
NEW ZEALAND	Sensicon Limited	Wellington
PUERTO RICO	Addressograph Multigraph Corporation	Hato Rey
SOUTH AFRICA	Addressograph Multigraph (Pty.) Ltd.	Cape Town
SPAIN	Addressograph Multigraph S. A.	Madrid
SWEDEN	Addressograph Multigraph AB	Stockholm
SWITZERLAND	Addressograph Multigraph AG	Zurich
ZAMBIA	Addressograph Multigraph Limited	Kitwe

The company also operates through 86 independent dealers in 113 other key world market areas.

PLANTS AND DISTRIBUTION CENTERS

UNITED STATES:

Atlanta, Georgia
City of Industry, California
Cambridge, Massachusetts
Chicago, Illinois
Cincinnati, Ohio
Cleveland, Ohio
Grand Prairie, Texas
Guilford, Connecticut
Hillside, New Jersey
Holmesville, Ohio
Mt. Laurel, New Jersey
Mt. Prospect, Illinois
Hanover, New Jersey
Palisades Park, New Jersey
Reno, Nevada
Rochester, New York
Teterboro, New Jersey

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